

TANF RECEIPT OVER TIME

Marieka M. Klawitter & Dawn Griffey
Daniel J. Evans School of Public Affairs

<u>University of Washington</u>

April 2002

This report describes data from the WorkFirst Study (WFS). The sample was drawn from the statewide list of adults receiving welfare assistance in March 1999 (1999 cohort) and October 2000 (2000 cohort). The 1999 cohort respondents were interviewed in 2000 and again in early 2001. The 2000 cohort respondents were interviewed in early 2001. This report uses survey data from 3,037 interviews in the first year, the 1,955 re-interviews with the 1999 cohort, and from 1,334 interviews with the 2000 cohort.

The focus of this report is the TANF experiences of the WFS respondents. Using administrative data for all respondents, the report looks at cash benefit receipt (TANF) through February 2002.

This report examines the length of time on TANF, the percentage on TANF during each month and the percentage continuously on TANF (without leaving assistance) for each month. We also examined the relationship of time on TANF to employment rates over time.

FINDINGS

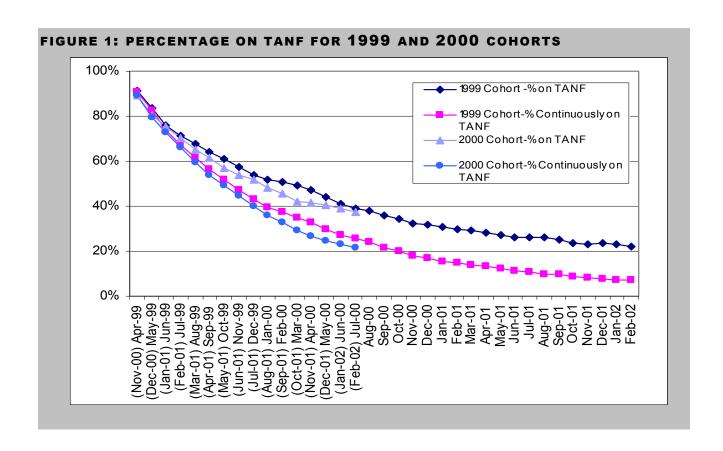
- The percentage of respondents on TANF declined steadily over time. However, the 2000 cohort appears to be leaving welfare even more quickly than the 1999 cohort.
- In the two years after March 1999, about half of the families in the 1999 cohort spent more than 12 months on TANF and about half spent 12 or fewer months on assistance.
- Families in the 2000 cohort were less likely than those in the earlier cohort to have stayed on TANF for most of the first year of the study.
- In both cohorts, employment levels increased over time for all groups of families, but more so for families who spent part but not all of the months on TANF.
- Respondents were likely to spend more time on TANF if they had lower levels of education, less work experience, learning disabilities, health problems, more children, or had been abused as an adult.
- Compared to the 1999 cohort, 2000 cohort respondents were more likely to report health problems, to have a child with chronic illness, to be from western rural or eastern urban areas, and to be younger.

TANF Experience of 1999 and 2000 Cohorts

Figure 1 shows the number of months on TANF for the 1999 cohort and the 2000 cohort starting in the month after all families received TANF. The percentage of respondents on TANF declined fairly steadily over time. However, the 2000 cohort appears to be leaving welfare more quickly than the 1999 cohort.

At the one-year mark (March 2000), 49 percent of the 1999 cohort was on welfare. Thirty-five percent had been on continuously since March 1999. In comparison, only 42 percent of the 2000 cohort was on TANF at the one-year mark (October 2001), and 29 percent had been on continuously since cohort selection.

TANF receipt continued to fall in the second year for the 1999 cohort. At the two-year mark (March 2001), only 29 percent of the 1999 cohort was on TANF and only 14 percent had not spent time off TANF. By February 2002, our last month of data, about 22 percent received TANF and only seven percent had been on continuously. The economic conditions of Fall 2001 appear to have slowed, but not stopped, the rate of exit for both cohorts.



Number of Months on TANF

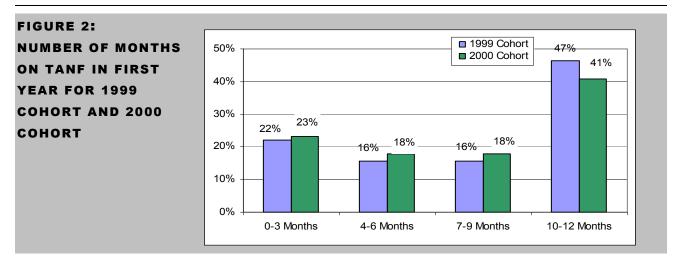


Figure 2 groups families from the 1999 cohort and the 2000 cohort by the number of months they were on TANF in the first year. Families in the 2000 cohort were less likely to have stayed on for 10 to 12 months, but the distribution of time on TANF was otherwise similar to the earlier cohort. The largest group of families for both cohorts spent most of the first year on TANF.

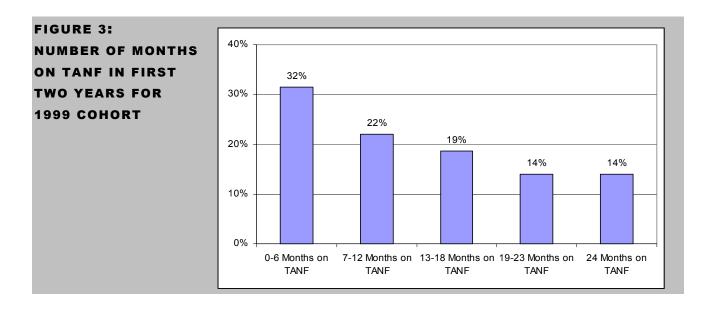


Figure 3 shows the number of months on TANF for the 1999 cohort in the two years after March 1999. About half of the 1999 families spent more than 12 months on TANF and about half spent 12 or fewer months on assistance. Almost a third of the cohort spent six months or less on TANF. Fourteen percent were on TANF for the entire two years between April 1999 and March 2001.

Prior TANF Experience

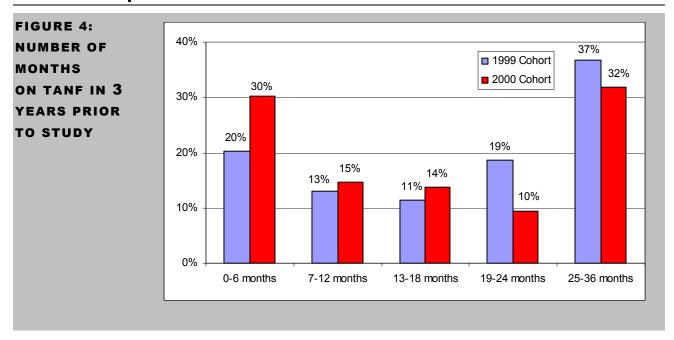
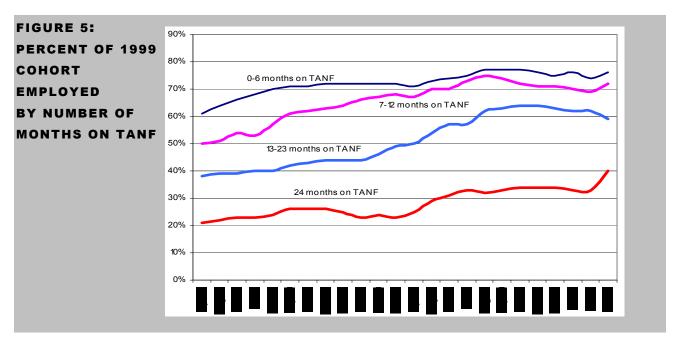


Figure 4 compares the number of months on TANF in the three years prior to the study for the 1999 cohort (prior to March 1999) and the 2000 cohort (prior to October 2000). Families in the 2000 cohort were more likely to have been on TANF a short time (6 months or fewer) and less likely to have been on more than 2 years than the early cohort. Prior to the study, 33 percent of the 1999 cohort was on TANF for one year or less compared to 45 percent of the 2000 cohort. Thirty percent of the 1999 cohort and about one fourth (24 percent) of the 2000 cohort were on TANF for one to two years. Finally, 37 percent of the 1999 cohort and 32 percent of the 2000 cohort received TANF for 2 to 3 years prior to cohort selection.

Employment and TANF Receipt

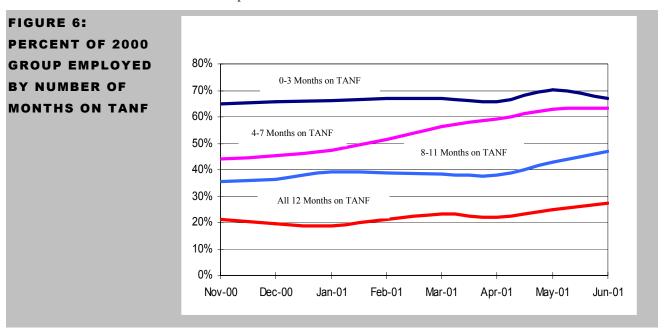
Figures 5 and 6 show the percentage of WFS respondents who were employed over time for the 1999 and 2000 cohorts, grouped by the number of months the families received TANF.

In both cohorts, employment levels increased for all groups of families, but more so for families who spent part but not all of the months on TANF. Employment levels are relatively similar in the two cohorts for those with similar participation in TANF.



Those who were on TANF during most of the period (the bottom lines) had the lowest levels of employment. About a fifth of the March 1999 group who never left TANF were employed in April 1999. By March of 2000, a quarter of this group was employed, and by March 2001, 40 percent were employed. Similarly, in the 2000 cohort (Figure 7) about 20 percent of those on TANF all 12 months were employed in November 2000 and about 28 percent by June 2001.

Respondents on TANF for the least time (the top lines) had much higher employment rates that increased more for the March 1999 cohort than for the October 2000 cohort. Among the 1999 cohort respondents on TANF six months or less, almost two-thirds (61 percent) were employed by April 1999, two-thirds were employed in April 2000 and about three-quarters were employed by March 2001. The employment levels for October 2000 recipients on TANF fewer than 3 months stayed relatively constant over time at about 65 to 70 percent.



Significant Characteristics of 1999 and 2000 Cohorts

Education, work experience, health, demographic and family characteristics were all related to the amount of time the WFS respondents spent on TANF. Appendix 1 shows the characteristics of respondents grouped by the number of months on TANF in the first two years for the 1999 cohort and the first year for the 2000 cohort. TANF information comes from administrative files and the characteristic information comes primarily from the telephone surveys.

For both cohorts, respondents in families on TANF for more months:

- Had lower levels of education
- Had less recent work experience
- Were more likely to have learning disability
- Were more likely to report poor or fair health, a work-limiting health condition, or mental health care use.
- Had slightly more children
- Were older (1999 cohort only)
- Were more likely to have been abused as an adult (information available for 1999 cohort only).

The number of people on TANF in Washington state continued to fall between March 1999 and October 2000 and a comparison of the characteristics of the 1999 and 2000 cohorts provides a sense of changes in the composition of families on TANF over time. Appendix 2 shows average characteristics for the two cohorts.

Compared to the 1999 cohort, respondents in the 2000 cohort:

- Were more likely to report poor or fair health, a work-limiting health condition, or mental health care use.
- More likely to have a child with a chronic illness
- More likely to be from the Western rural or Eastern urban areas
- Were younger on average.

APPENDIX 1: CHARACTERIS	TICS C	F 199	9 AND	2000	соно	RTS B	Y TIME	ON T	ANF
	1999	1999	1999	1999	1999	2000	2000	2000	2000
	On TANF	On TANF		On TANF		On TANF	On TANF		
	0-6	7-13	14-18	19-23	all 24 months	0-3	4-7	8-11	all 12 months
Number of Respondents	months 923	months 640	months 516	months 448	518	months 307	months 318	months 318	387
	923	040	570	440	316	307	310	310	307
HUMAN CAPITAL									
No high school diploma or GED	18% *	22% *	26%	30%	30%	17% *	24%	27%	24%
GED	14% *	15% *	18%	19%	20%	15%	19%	20%	19%
High School Diploma	29% *	24%	23%	23%	23%	28%	24%	22%	27%
Vocational Certificate	23% *	12% *	10%	8%	8%	12%	12%	8%	10%
Some College or More	27% *	26% *	23%	21%	18%	28% *	21%	23%	21%
Recent Work Experience	65% *	60% *	55% *	51% *	37%	71% *	56% *	48% *	40%
Average months of work experience	3.7 *	3.5 *	3.2 *	2.9 *	1.8	4.5 *	3.6 *	3.0 *	2.2
Learning disability Attention deficit disorder	5% *	8% *	9% *	9% *	13%	24%	20% *	18% *	28%
Attention deficit disorder English speaker	4%	5%	7%	6%	6%	19%	12%	12%	16%
Convicted of felony	94%	95%	96% 9%	94% 11%	94% 13%	97% 4% *	98% 9%	95% 11%	96% 10%
	9%	9%	9%	1170	13%	470	9%	1170	10%
HEALTH		0.771							
Report fair or poor health Work limitation due to health	29% *	30% *	38% *	38% *	53%	39% *	38% *	39% *	47%
	15% *	17% *	22% *	26% *	43%	31% *	28% *	39%	46%
Mental health care use	18% *	22% *	27% *	27% *	33%	29% *	26% *	32%	39%
Alcohol weekly or more often	8%	6%	6%	8%	7%	n/a	n/a	n/a	n/a
Marijuana use	9%	10%	11%	13%	10%	n/a	n/a	n/a	n/a
Illegal drug use	4% *	4% *	6%	7%	7%	n/a	n/a	n/a	n/a
FAMILY CHARACTERISTICS									
Chiild under 3 years of age	35%	41% *	36%	38%	33%	32%	46% *	41%	38%
Average number of children	1.9 *	2.0 *	2.0 *	2.2	2.3	1.8	1.66 *	1.76 *	1.94
1 child	42% *	35%	41% *	33%	30%	41%	46% *	39%	35%
2 children	30%	34%	34%	31% *	37%	31%	26%	31%	29%
3 children	16%	18%	16%	21%	17%	15%	17%	15%	19%
4 or more children	9% *	11% *	7% *	14%	15%	8% *	7% *	10%	13%
Young child with chronic conditions or illness**	8%	11%	10%	11%	10%	11% *	15%	15%	18%
Percent 2-parent cases	18% *	17% *	12% *	12% *	8%	n/a	n/a	n/a	n/a
DEMOGRAPHICS									
Eastern Rural	14%	10% *	12%	14%	16%	9%	13%	14%	11%
Western Rural	17%	20%	18%	17%	18%	13%	15%	16%	14%
Eastern Urban	18%	23% *	22%	19%	18%	26%	21%	20%	26%
Western Urban	50%	47%	48%	49%	49%	53%	52%	50%	49%
Male	6%	5%	6%	6%	6%	7%	8%	6%	8%
Age under 21 years	3%	4%	5%	5%	4%	5%	8%	9%	8%
21-30 years	44% *	47% *	41% *	43% *	31%	42%	46% *	46% *	36%
31-40 years	33% *	34% *	36%	34% *	41%	36%	29%	29%	35%
41 or more years	20% *	14% *	18% *	17% *	25%	17%	18%	16%	21%
Average Age	32.6 *	31.5 *	32.2 *	32.0 *	34.7	32.3	31.4	31.7	32.6
White	76%	74%	73%	68%	73%	71%	70%	72%	69%
Latino	10% *	10% *	10% *	10%	7%	12% *	11%	9%	7%
African American	7%	9%	9%	13%	10%	7%	8%	7%	10%
Asian/Pacific Islander	3%	4%	3%	2%	2%	4%	3%	1%	3%
Native American	6% *	7%	7%	10%	9%	4%	6%	8%	6%
FAMILY BACKGROUND									
Abused as child	32%	37%	35%	38%	38%	n/a	n/a	n/a	n/a
Abused as adult	41%	46% *	48% *	51%	54%	n/a	n/a	n/a	n/a
CPS intervention as child	8%	11%	11%	11%	11%	n/a	n/a	n/a	n/a
Pregnant as teenager	42% *	45%	45%	50%	49%	n/a	n/a	n/a	n/a
Parent received welfare while growing up	31%	34%	35%	36%	33%	34%	32%	36%	37%
Parent received food stamps while growing up	32% *	37%	37%	38%	38%	38%	36%	43%	38%

^{*} value is significantly different from the group of respondents that were on TANF all 24 months (1999 cohort) or significantly different from the respondents that were on TANF all 12 months (2000 cohort)

n/a refers to a data that is not available due to the fact that some questions were not asked of the C2 survey respondents

**chronic illness questions were only asked of the youngest child under 3 in the C1W1 survey, in the C2 survey, respondents were asked about

a random child under 5.

APPENDIX 2: OVERALL CHARACTERISTICS OF 1999 AND 2000 COHORTS

	1999 Cohort	2000 Cohort	
Number of Respondents	3045	1334	
HUMAN CAPITAL			
No HS or GED degree	24%	23%	
High school only	25%	25%	
GED degree	17%	18%	
Vocational certificate	11%	11%	
Some college or more	23%	23%	
Recent Work Experience	55%	53%	
Avg. Mos. Of Work Experience	3.2	3.3	
Learning Disability	8%	24%	
Attention Deficit Disorder	5%	15%	
English Speaker	94%	97%	
Convicted of a Felony	10%	8%	
HEALTH			
Health is poor or fair	36% *	41%	
Work limitation due to health	23% *	37%	
Mental Health care use	24% *	32%	
FAMILY CHARACTERISTICS			
Children under 3	36%	39%	
Number of Children	2	2	
1 child	37%	40%	
2 children	33% *	29%	
3 children	17%	17%	
4 or more children	11%	10%	
Young Child w/ Chronic Illness **	10% *	15%	
DEMOGRAPHICS			
Eastern Rural	13%	12%	
Western Rural	18% *	23%	
Eastern Urban	20% *	14%	
Western Urban	49%	51%	
Male	6% *	8%	
Age under 21	4% *	7%	
21-30	42%	42%	
31-40	35%	32%	
Over 40	19%	18%	
Average Age	32.6 *	31.9	
White	73%	70%	
Latino	9%	10%	
African American	9%	8%	
Asian/Pacific Islander	3%	3%	
Native American	8%	6%	
FAMILY BACKGROUND			
Parent was on welfare	34%	35%	
Parent was on food stamps	36% *	39%	
Significant differences shown by *	30 /0	3970	

Significant differences shown by *

^{**}Chronic illness question was asked of the respondent's youngest child under age 3 in 1999 Cohort, for the 2000 cohort the question was asked of a random child under the age of 5.